

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	16712	<b>Agenda Number</b>	67.
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<b>Meeting Date:</b>	8/2/2012	<b>Department:</b>	Treasury
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**Subject**

Approve a resolution authorizing issuance by Moore’s Crossing Municipal Utility District of Unlimited Tax Refunding Bonds, Series 2012, in a principal amount not to exceed \$3,835,000; and approving a substantial draft of the District’s Bond Resolution and Preliminary Official Statement.

**Amount and Source of Funding**

The City is not responsible for payment of District bond debt service until dissolution of the District. Once the dissolution of the District takes place, the avoided debt service associated with the refunding would also benefit the City of Austin.

**Fiscal Note**

A fiscal note is not required.

<b>Purchasing Language:</b>	
<b>Prior Council Action:</b>	
<b>For More Information:</b>	Art Alfaro, Treasurer 974-7882
<b>Boards and Commission Action:</b>	
<b>MBE / WBE:</b>	
<b>Related Items:</b>	

**Additional Backup Information**

The Moore’s Crossing Municipal Utility District was created in 1987. The District consists of approximately 838 acres located in Travis County approximately eight miles south-southeast of Austin's central business district and is situated approximately 1.5 miles south of Austin Bergstrom International Airport. Access to the District is provided by Interstate Highway 35 and Bureson Road via Elroy Road. The District has proposed a refunding bond issue to reduce annual debt service requirements. Proceeds of the issue will be used to refund and redeem \$3,835,000 principal amount of outstanding bonds including: \$1,230,000 Unlimited Tax Bonds, Series 2003; \$415,000 Unlimited Tax Refunding Bonds, Series 2004; and \$2,190,000 Unlimited Tax Bonds, Series 2005. Existing interest rates are estimated to produce net present value savings of \$210,606.69, or 5.49%.

The District will realize average annual debt service savings of over \$15,870 through the remaining term of the refunded bonds, which does not extend past the term of the existing debt. The City is not responsible for debt service on the District’s Bonds. Furthermore, the City would benefit from the debt service savings associated with the

refunding once the District is dissolved. The City's Financial Services Department and the City's Financial Advisor have reviewed the proposed refunding and recommend approval of the District's proposed refunding, subject to the average annual debt service savings being approximately level throughout the life of the bonds; and review and approval of the final offering documents by the Chief Financial Officer or her designee.